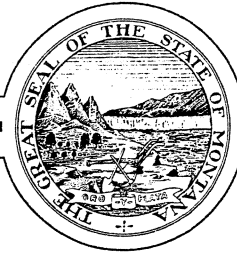


DEPARTMENT OF NATURAL RESOURCES
AND CONSERVATION



BRIAN SCHWEITZER
GOVERNOR

DIRECTOR'S OFFICE (406) 444-2074
TELEFAX NUMBER (406) 444-2684

STATE OF MONTANA

WATER RESOURCES DIVISION (406) 444-6601
TELEFAX NUMBERS (406) 444-0533 / (406) 444-5918
<http://www.dnrc.mt.gov>

1424 9TH AVENUE
PO BOX 201601
HELENA, MONTANA 59620-1601

Cover Letter

April 30th, 2008

TO: Governor's Office, Bruce Nelson, Rm. 204, State Capitol, P.O. Box 200801, Helena, MT 59620-0801
Environmental Quality Council, Capitol Building, Room 106, P.O. Box 201704, Helena, MT 59620
Dept. of Environmental Quality, Metcalf Building, P.O. Box 200901, Helena, MT 59620-0901
Director's Office
Dept. of Natural Resources and Conservation, US F&G Bldg. 1625 11th Ave. Helena, MT 59620
Director's Office
Information Services Section
Water Resources Division, 1424 9th Avenue, P.O. Box 201601, Helena, MT 59620-1601
Michele Lemieux, Water Operations Bureau
Regional Manager, DNRC Water Resources Division, Lewistown Regional Office, 613 NE. Main, Suite E, Lewistown, MT 59457-2020
Montana Department of Fish, Wildlife & Parks, 1420 E. 6th Ave. Helena, MT 59620
Director's Office
Parks Division
Regional Supervisor, DFWP Region 4 Office, 4600 Giant Springs Road, Great Falls, MT 59405
Regional Parks Manager
Anne Tews, MT DFWP, Lewistown Area Office, 2358 Airport Rd. Lewistown, MT 59457
MT State Library, 1515 E. Sixth Ave., P.O. Box 201800, Helena, MT 59620
Montana Environmental Information Center, P.O. Box 1184, Helena, MT 59624
Montana Audubon Council, P.O. Box 595, Helena, MT 59624
Chuck Thomas, Ackley Lake Water Users Association, HC 81, Box 8, Hobson MT 59452
Judith Basin County Commissioners, P.O. Box 427, Stanford, MT 59479-0427
Northern Plains Resource Council, 2401 Montana Ave. Suite 200, Billings, MT 59101-2336
U.S. Army Corps of Engineers, 301 S. Park Ave. Drawer 10014, Helena, MT 59626-0014
U.S. Fish & Wildlife Service, MT Field Office, 585 Shepard Way, Helena, Montana 59601
Wildlife Federation, P.O. Box 1175, Helena, MT 59624
Trout Unlimited, P.O. Box 7186, Missoula, MT 59807

Ladies and Gentlemen:

The enclosed Finding of No Significant Impact / Decision Notice have been prepared for the Ackley Lake Dam Rehabilitation Project. Please contact James P. Domino at (406) 444-6622 (e-mail jdomino@mt.gov) should you have any questions about the Finding of No Significant Impact / Decision Notice or the Final EA. Copies of the Final EA are available upon request. The Final EA can also be viewed on the DNRC website at www.dnrc.mt.gov. Thank you.

Sincerely,

A handwritten signature in dark ink, appearing to read "John Tubbs".

John Tubbs
Water Resources Division Administrator

FINDING OF NO SIGNIFICANT IMPACT/
NOTICE OF DECISION

April 30th 2008

Dear Reader:

The Montana DNRC released a draft Environmental Assessment (EA) on March 12th, 2008 on the Ackley Lake Dam Rehabilitation Project. Ackley Lake Dam is an off-stream storage facility located in Judith Basin County, approximately 4 miles south of Hobson at township 14 north, range 14 east, section 22. The dam was originally constructed in 1938 by the Montana State Water Conservation Board and is currently owned by the DNRC. The project is operated and maintained by the Ackley Lake Water Users Association. The dam is showing signs of deterioration due to its age. The existing drain system is not functioning and is unable to safely divert seepage from the dam. This could potentially affect the structural integrity of the dam, creating a serious public health and safety concern if repairs are not made. The main spillway is also deteriorating and does not meet current safety standards. The proposed rehabilitation includes the replacement of the main spillway with a new structure, the installation of new toe drains, the construction of a toe berm to protect against the high artesian pressures, the replacement of the outlet works, widening and leveling of the dam crest, and the construction of a dike (auxiliary) spillway (approximately 900 feet south of the right abutment). This additional spillway is proposed to provide additional spillway capacity so large floods can safely be passed between the main and auxiliary spillways. This project will also involve the drawdown of the reservoir to approximately 325 acre-feet of water (about 40 surface acres). The established minimum under normal conditions is 458 acre-feet. The purpose of the drawdown is to allow access to upstream face of the dam for the installation of the new outlet structure and conduit. The rehabilitation is scheduled to begin in October 2008 with completion by December 2008. The reservoir would begin refilling once the project is completed.

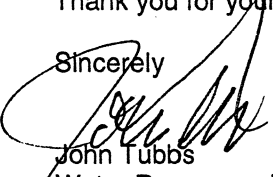
The public comment period closed on Friday April 11, 2008. The Montana Department of Fish, Wildlife and Parks (DFWP) submitted the only comments on the project. The DFWP comments, received from the Region 4 Regional Parks Manager, concerned potential impacts to recreational facilities and access within the construction zone, specifically a vault restroom located on the dike east of the dam where a new emergency spillway is planned and recreational use and access to the east and west side of Ackley Lake State Park. Further analysis and consultation revealed that the likelihood of impacts to the restroom or any other recreational facilities were very minimal. Recreational use and access would be temporarily impacted due to the closure of those areas within Ackley Lake State Park that lie within the construction zone, primarily in the vicinity of the dam and the east side of the reservoir. Recreational use and access to other areas of the park would be permitted as long as it does not present a safety concern. Other areas of the park could be closed if necessary at the discretion of the DNRC and the Contractor if it is determined that a public safety hazard exists. The DNRC and Contractor will post signs to inform the public of any temporary closures. The DNRC will also periodically provide updates to the Ackley Lake State Park Manager on the project status. The DFWP District Fisheries Biologist was also consulted concerning impacts to reservoir fisheries. The drawdown of the reservoir would adversely impact reservoir fisheries, but these impacts are considered non-significant since this is a stocked reservoir. The DFWP also indicated that a Montana Stream Protection Act Permit was not needed. The reservoir would be restocked after the project is completed and the reservoir begins refilling. The Montana Department of Environmental Quality and the U.S. Army Corps of Engineers were also consulted on permitting requirements and water quality issues. Those commenting expressed no opposition to the project. No other comments were received.

Based on the EA's disclosure and analysis of potential impacts, and the comments received, the DNRC concludes that the proposed action will not result in any significant impacts. The DNRC will adopt the draft EA as the final EA and proceed with the project as planned. Copies of the Final EA are available upon request. The Final EA can be viewed on the DNRC website at www.dnrc.mt.gov in the Environmental Documents section. Please direct any questions to:

James P. Domino
DNRC State Water Projects Bureau
1424 9th Avenue, P.O. Box 201601
Helena, MT 59620-1601
(406) 444-6622 e-mail: jdomino@mt.gov

Thank you for your interest.

Sincerely



John Tubbs

Water Resources Division Administrator